

# Washington, Saturday, December 7, 1940

# Rules, Regulations, Orders

# TITLE 9-ANIMALS AND ANIMAL PRODUCTS

#### CHAPTER II-AGRICULTURAL MARKETING SERVICE

PART 204-POSTED STOCKYARDS AND LIVE POULTRY MARKETS

NOTICE RELATIVE TO SAMUEL E. HILL, DOING BUSINESS AS LAGRANDE LIVESTOCK COM-MISSION COMPANY, STOCKYARD OWNER, LA GRANDE, OREGON 1

DECEMBER 4, 1940.

Whereas the LaGrande Livestock Commission Company, LaGrande, Oregon, was posted on March 21, 1938, as a stockyard subject to the provisions of the Packers and Stockyards Act, 1921; and

Whereas it now appears that the La-Grande Livestock Commission Company is not being operated as a stockyard within the meaning of that term as defined in said Act:

Now, therefore, notice is hereby given that the LaGrande Livestock Commission Company (within the City limits of LaGrande, Oregon) no longer comes within the foregoing definition and the provisions of Title III of said Act.

[SEAL] PAUL H. APPLEBY, Acting Secretary of Agriculture.

[F. R. Doc. 40-5398; Filed, December 6, 1940; 11:19 a. m]

PART 204-POSTED STOCKYARDS AND LIVE POULTRY MARKETS

NOTICE RELATIVE TO SAMUEL E. HILL, DOING BUSINESS AS LAGRANDE LIVESTOCK COM-MISSION COMPANY, STOCKYARD OWNER, LA GRANDE, OREGON 1

DECEMBER 4, 1940.

Notice is hereby given that after inquiry, as provided by Section 302 (b) of the Packers and Stockyards Act, 1921 (7 U.S.C. Sec. 202 (b)), it has been ascer-

<sup>1</sup> Modifies list posted stockyards 9 CFR 204.1.

tained by me that the stockyard known as the LaGrande Livestock Commission Company (Outside the City Limits of La-Grande, Oregon) at LaGrande, State of Oregon, is subject to the provisions of said Act.

The attention of stockward owners. market agencies, dealers, and other persons concerned is directed to Sections 303 and 306 (7 U.S.C. Secs. 203 and 207) and other pertinent provision of said Act and the rules and regulations issued thereunder by the Secretary of Agriculture.

[SEAL] PAUL H. APPLEBY. Acting Secretary of Agriculture.

[F. R. Doc. 40-5397; Flied, December 6, 1940; 11:19 a. m.]

TITLE 20-EMPLOYEES' BENEFITS CHAPTER II—RAILROAD RETIRE-MENT BOARD

PART 250-RECOVERY OF ERROREOUS **PAYMENTS** 

AMENDMENT TO REGULATIONS UNDER THE RAILROAD RETIREMENT ACT OF 1937

Pursuant to the general authority contained in section 10 of the Act of June 24, 1937 (sec. 10, 50 Stat. 314; 45 U.S.C. Sup. III, 228j) § 250.031 of the Regulations of the Railroad Retirement Board under such Act (4 F.R. 1477) is amended, effective immediately, by Board Order 40-685 dated December 3, 1940, by adding thereto the following paragraph:

(d) For the purpose of providing a test of annual reporting, the director of wage and service records is authorized to approve, with the consent of the director of unemployment insurance and coordinator of operations, agreements with employers whereby, for the calendar year 1941, there shall be filed by such employers, in lieu of the report required under (b) above and of the notices of death required under § 250.02, such reports and notices as the director of wage and service records may prescribe. Agreements shall be approved only with

<sup>1</sup>4 F.R. 1501.

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employers whose accounting facilities and practices are adapted to the making of such test; and the number of such employers participating in the test shall be no more than is deemed sufficient for an adequate test.

By Authority of the Board.

[SEAL]

JOHN C. DAVIDSON. Secretary to the Board.

DECEMBER 5, 1940.

[F. R. Doc. 40-5393; Filed, December 6, 1940; 9:51 a. m.]

PART 345—EMPLOYERS' CONTRIBUTIONS AND CONTRIBUTION REPORTS

REGULATIONS UNDER THE RAILROAD UNEM-PLOYMENT INSURANCE ACT

Pursuant to the authority contained in section 12 of the Act of June 25, 1938 (52 Stat. 1094, 1107; 45 U.S.C. Sup. IV, 362) as amended by the Act of June 20, 1939 (53 Stat. 845; Public No. 141, 76th Congress, First Session), the Railroad Retirement Board, by Board Order 40-685 dated December 3, 1940, amends Part 345 1 of the Regulations under the Railroad Unemployment Insurance Act by adding thereto, effective immediately, the following section:

§ 345.23 Test of annual reporting. Employers with whom the director of wage and service records, pursuant to § 250.03 (d) of the Regulations under the Railroad Retirement Act of 1937, approves agreements as part of a test of annual reporting, shall, notwithstanding any provisions of the preceding sections of this Part, file reports, for the calendar year 1941, in such manner and at such times as the director of unemployment insurance and coordinator of operations may prescribe; except that such employers shall file contribution reports and pay contributions at the times required of other employers by these Regulations. Such contribution reports shall be substantially similar to the reports required by §§ 345.05, 345.06, 345.07, and 345.08 of these Regulations, and the adjustments provided for in § 345.12 of these Regulations will be made upon the basis of such reports as are filed pursuant to this section or § 250.03 (d) of the Regulations under the Railroad Retirement Act of 1937.

By Authority of the Board.

[SEAL]

JOHN C. DAVIDSON, Secretary to the Board.

DECEMBER 5, 1940.

[F. R. Doc. 40-5392; Filed, December 6, 1940; 9:51 a. m.]

#### CHAPTER III-SOCIAL SECURITY BOARD

[Reg. No. 1, As Amended]

PART 401-DISCLOSURE OF OFFICIAL RECORDS AND INFORMATION

By virtue of the authority vested by sections 1102 and 1106 of the Social Security Act, as amended, the Social Security Board hereby issues Regulation No. 1, as amended,2 (relating to the disclosure of official records and information in possession of the Board). From the effective date hereof this regulation shall supersede Regulation No. 1 approved March 31, 1937 and the amendments to such regulation heretofore berrezi

SECTION 1102 OF THE SOCIAL SECURITY ACT The Secretary of the Treasury, the Secretary of Labor, and the Social Security Board.

respectively, shall make and publish such rules and regulations, not inconsistent with this Act, as may be necessary to the efficient administration of the functions with which each is charged under this Act. (Sec. 1102, Social Security Act. appd. Aug. 14, 1935; 49 Stat. 647; 42 U.S.C., sec. 1302)

SECTION 1106 OF THE SOCIAL SECURITY ACT, AS AMENDED

No disclosure of any return or portion of a return (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act or under title VIII of the Social Security Act or under regulations made under authority thereof, which has been transmitted to the Board by the Commissioner of Internal Revenue, or of any file, record, report, or other paper, or any information, obtained at any time by the Board or by any officer or employee of the Board in the course of discharging the duties of the Board, and no disclosure of any such file, record, report, or other paper, or information, obtained at any time by any or information, obtained at any time by any person from the Board or from any officer or employee of the Board, shall be made except as the Board may by regulations prescribe. Any person who shall violate any provision of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000, or by imprisonment not exceeding one year, or both. (Sec. 1106, Social Security Act, as added by sec. 802, Social Security Act Amendments of 1939, appd. Aug. 10, 1939; 53 Stat. 1398; 42 U.S.C., sec. 1306)

§ 401.1 Prohibition against disclosure. No disclosure of any return or portion of a return (including information returns or other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act or the Federal Insurance Contributions Act or under regulations made under authority thereof, which has been transmitted to the Board by the Commissioner of Internal Revenue, or of any file, record, report, or other paper, or any information, obtained at any time by the Board or by any officer or employee of the Board in the course of discharging the duties of the Board, shall be made directly or indirectly except as hereinafter authorized by this regulation or as otherwise expressly authorized by the Board.

§ 401.2 Authority for refusal to disclose. Any request or demand for any such file, record, report, or other paper, or information, disclosure of which is forbidden by this regulation, shall be declined upon authority of the above quoted provisions of the Act, as amended, and this regulation prescribed thereunder. If any member, officer or employee of the Board or of the Federal Security Agency is sought to be required, by subpoena or other compulsory process, to produce such file, report, or other paper. or give such information, he shall respectfully decline to present such file, record, report, or other paper, or divulge such information, basing his refusal upon the above quoted provisions of law and this regulation prescribed thereunder.

§ 401.3 Information which may be disclosed and to whom. Disclosure of any such file, record, report, or other paper, or information is hereby authorized in the following cases and for the following purposes:

<sup>&</sup>lt;sup>1</sup>4 F.R. 4370. <sup>2</sup> 4 F.R. 2514.

- (a) To any claimant or prospective claimant for benefits or payments under title II of the Social Security Act, as amended, or to his duly authorized representative as to matters directly concerning such claimant or prospective claimant.
- (b) After death of an individual, information considered not detrimental to him may be given to the representative of his estate or any surviving relative on written request, stating the purpose thereof, when efficient administration permits such disclosure.
- (c) To any officer or employee of the Treasury Department of the United States lawfully charged with the administration of title VIII or title IX of the Social Security Act, as amended, or the Federal Insurance Contributions Act, or the Federal Unemployment Tax Act, for the purpose of such administration only.
- (d) To any officer or employee of an agency of the Federal Government or a State Government lawfully charged with the administration of a Federal or State rity account number of an individual may unemployment compensation law or contribution or tax levied in connection therewith, for the purpose of such administration only.
- (e) To any officer or employee of an agency of the Federal Government or a State Government lawfully charged with the administration of a law providing for old-age assistance or other public assistance, or work relief, or pension, or retirement, or other benefit payments, for such law, or of the Social Security Act, as amended, and only in accordance with the restrictions and procedures prescribed by the Board.
- (f) To any officer, agency, establishment or Department of the Federal Government, charged with the duty of conducting an investigation or prosecution, for the purpose of such an investigation or prosecution involving:
- (1) an inquiry to determine whether there has been a violation of any penal provision of the Social Security Act, as amended: or
- (2) an inquiry to determine whether any action of a member, officer or employee of the Board or of the Federal Security Agency relating to the administration of the Social Security Act. as amended, was attempted or effected with intent to defraud the United States; or
- (3) an inquiry to determine whether there has been a violation of the provisions of the Federal Insurance Contributions Act or the Federal Unemployment Tax Act or of any Federal income tax
- (4) an inquiry with respect to an alleged forgery of a check issued for a benefit under title II of the Social Secu-[F. R. Doc. 40-5385; Filed, December 5, 1940; rity Act: or 4:18 p. m.]

- (5) an inquiry with respect to an alleged forgery, when disclosure is authorized by the individual whose name allegedly has been forged in which event there may be disclosed a copy of the Form SS-5 originally executed by him and copies of such other Forms SS-5 as appear, on the basis of the information furnished, to involve the forgery of his
- (g) Where there is a request in writing by a Federal, State, or municipal official stating that he has the name and/or social security account number of a deceased or insane person, or a person suffering from amnesia, or who is unconscious or in a state equivalent thereto, but cannot establish such person's identity, such identifying data as is available may be furnished to such official upon determination of the proper officer of the Board that such request appears to be valid and that such information should be furnished.
- § 401.4 Exceptions. The Social Secube disclosed to an employer or a former | D. C., on October 14, 1940; and employer of such individual by an authorized officer or employee of the Board in such manner as the Board may, by instructions, prescribe. Except as may be otherwise provided by the Board, any officer or employee of the Board or of the Federal Security Agency may disclose any record or information in connection with a proceeding under the Social Security Act, as amended, when such disclosure the purpose of proper administration of is necessary for the proper performance of the duties of such officer or employee in connection with such proceeding. Statistical data or other information not relating to any particular person may be disclosed and personnel information relating to employees or officers of the Board may be disclosed except as may be otherwise provided with reference thereto.
  - § 401.5 Definitions. As used in this regulation, the term "person" includes an individual, a trust or estate, a partnership, or a corporation; the term "corporation" includes associations, joint-stock companies, and insurance companies; the term "State" includes Alaska, Hawaii, and the District of Columbia.
  - § 401.6 Authority for regulation. In pursuance of section 1102 of the Social Security Act (49 Stat. 647; 42 U.S.C., section 1302) and section 1106 of the Act, as amended, (53 Stat. 1398; 42 U.S.C., section 1306) the foregoing regulation is hereby prescribed.

Adopted by the Social Security Board. November 29, 1940.

> A. J. ALTLIEYER, Chairman.

Approved, December 3, 1940. PAUL V. McNUTT, [SEAL] Federal Security Administrator.

# TITLE 30-MINERAL RESOURCES CHAPTER III—BITUMINOUS COAL DIVISION

[General Docket No. 20]

PART 318-MARKETING RULES AND REGU-LATIONS INCIDENTAL TO THE SALE AND DISTRIBUTION OF COAL BY CODE METHERS WITHIN ALL DISTRICTS

ORDER REVISING AND MODIFYING THE MAR-KETING RULES AND REGULATIONS FOR DIS-TRICTS 1-20, INCLUSIVE, 22 AND 23

The Director of the Bituminous Coal Division having instituted a proceeding, pursuant to the provisions of the last sentence of section 4, Part II (b) of the Bituminous Coal Act of 1937, to review and revise the Marketing Rules and Regulations established by the Director by Order dated August 8, 1940 in General Docket No. 15; and

A hearing having been duly held in said proceeding before W. A. Shipman, Trial Examiner of the Bituminous Coal Division, at a hearing room of the Bituminous Coal Division, at Washington,

An order for submission of the cause to the Director without the examiner's report and for filing of briefs with the Director having been issued in this matter on October 17, 1940, pursuant to the agreement of the parties; and

The Director having duly considered the testimony and exhibits presented at the hearing, the briefs of the parties, and the record in this proceeding and, upon the basis thereof, having rendered Findings of Fact, Conclusions and Opinion, a copy of which is now on file in the office of the Bituminous Coal Division, Washington, D. C., and which by this reference are incorporated herein and made a part hereof:

It is ordered, That the Marketing Rules and Regulations established by the Director by Order dated August 8, 1940 in General Docket No. 15 be and the same hereby are revised and amended by adding thereto the following rule and regulation:

§ 318.2 Sales Agents. \* \* \*

(m) (1) No code member shall allow or pay, directly or indirectly, any commission, for coal sold or delivered on or after January 1, 1941, to any sales agent, pursuant to any contract appointing such sales agent entered into after August 8, 1940, which is in excess of the maximum discount which such person could receive if he purchased the coal as a distributor under the schedule of due and reasonable maximum discounts for distributors established pursuant to section 4, II, (h) of the Act, unless the code member shall have filed with the Bituminous Coal Division an application, setting forth all the facts and circumstances surrounding the

<sup>&</sup>lt;sup>1</sup>5 F. R. 3961.

agency contract, for permission to pay such commission and has been granted such permission: Provided, however, That such commission may be paid, after thirty (30) days from the date of the filing of such application, unless the Director otherwise orders. Permission to pay sales agency commissions which are in excess of the maximum discount established by the Director will be granted if the facts presented to the Director indicate that the contract, pursuant to which such commissions will be paid, is a bona fide sales agency contract as recognized by custom and was entered into in good faith and not for the purpose of evading the maximum discounts or the rules and regulations established for distributors, the unfair methods of competition established by section 4, II, (i) of the Act, particularly paragraph 13 thereof, the Marketing Rules and Regulations or other provisions of the Act or regulations or orders of the Director. Such permission, if granted, will extend to commissions on all coal sold, or delivered pursuant to the sales agency contract subsequent to January 1, 1941, unless otherwise indicated by Director.

(2) No code member shall allow or pay, directly or indirectly, any commission, for coal sold or delivered on or after January 1, 1941, pursuant to a modification made subsequent to August 8, 1940, of any contract appointing a sales agent, which modification increases the amount of commission specified in the contract and requires the payment of a commission which is in excess of the maximum discount which such person could receive if he purchased the coal as a distributor under the schedule of due and reasonable maximum discounts for distributors established under section 4. II, (h) of the Act, unless the code member shall have filed with the Bituminous Coal Division an application, setting forth all the facts and circumstances surrounding the inception and operation of the modification of the sales agency contract, to pay such increased commission and such permission has been granted: Provided, however, That such increased commission may be paid after thirty (30) days from the date of the filing of such application, unless the Director otherwise orders. Permission to pay such increased commissions will be granted if the facts presented to the Director indicate that the sales agency contract as modified is a bona fide sales agency contract as recognized by custom and that the modification was entered into in good faith and not for the purpose of evading the maximum discounts or the rules and regulations established for distributors, the unfair methods of competition established by section 4, II, authorized, with the approval of the

Regulations, or other provisions of the Act, or regulations or orders of the Director. Such permission, if granted, will extend to commissions on all coal sold or delivered pursuant to the sales agency contract subsequent to January 1, 1941, mittees may include representatives from unless otherwise indicated by Director.

(3) Any code member filing an application for permission to pay sales agency commissions pursuant to the foregoing rules may request a hearing on such application. In the absence of such a request, the Director may in his discretion grant such application without a hearing, provided that in the event that the Director is of the opinion that the application should be denied he will grant to the code member the right to request a hearing upon such application prior to making a final determination thereon.

(4) The foregoing rules, § 318.2 (m) (1), (2) and (3), are not applicable to marketing agency agreements which have been approved pursuant to section XII of the Act.

Dated: December 5, 1940.

[SEAL]

H. A. GRAY, Director.

[F.R. Doc. 40-5384; Filed, December 5, 1940; 2:04 p. m.]

#### TITLE 32—NATIONAL DEFENSE

CHAPTER VI-COUNCIL OF NA-TIONAL DEFENSE

COORDINATION OF HEALTH, WELFARE, AND RELATED DEFENSE ACTIVITIES

Pursuant to the authority vested in it by section 2 of the Act of August 29, 1916 (39 Stat. 649) the Council of National Defense, with the approval of the President, hereby designates the Federal Security Administrator as Coordinator of all health, medical, welfare, nutrition, recreation, and other related fields of activity affecting the national defense. In the performance of this responsibility the Federal Security Administrator as Coordinator shall, in cooperation with the Advisory Commission to the Council of National Defense, formulate and execute plans, policies, and programs designed to assure the provision of adequate services of this character to the nation during the national defense emergency; and to that end he shall coordinate the facilities of existing Federal agencies with respect to these several fields of action and shall establish and maintain liaison with such other agencies, public or private, as he may deem necessary or desirable.

The Federal Security Administrator is (i) of the Act, particularly paragraph President, to appoint such advisory com-

inception and operation of the sales | 13 thereof, the Marketing Rules and mittees and subcommittees with respect to health, medical, welfare, nutrition, recreation, and related activities as he may find necessary or desirable to assist him in the performance of his coordinating duties. Such committees and subcomthe | Federal departments and agencies, state and local governments, organized private groups, and the public at large. The members of advisory committees and subcommittees shall serve as such without compensation but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties. Each committee and subcommittee shall operate under the direction and supervision of the Federal Security Administrator as Coordinator, and shall serve at his pleasure.

The Health and Medical Committee established by order of the Council of National Defense, dated September 19, 1940,1 is hereby transferred to the Federal Security Agency and such Committee shall hereafter exercise its duties and functions under the direction and supervision of the Federal Security Administrator. Vacancies occurring in the membership of this Committee shall, hereafter, be filled by appointment of the Federal Security Administrator, with the approval of the President. All rules and regulations, projects, and activities of the Committee required to be approved by the Council of National Defense or the President shall, prior to submission thereto, be approved by the Federal Security Administrator.

Within the limits of appropriations allocated for purposes encompassed by this order the Federal Security Administrator may contract with and transfer funds to existing governmental agencies and institutions and may enter into contracts and agreements with individuals or educational or scientific institutions for studies, reports, experimental investigations, and expert counsel.

> HENRY L. STIMSON, Secretary of War. FRANK KNOX, Secretary of the Navy. HAROLD L. ICKES. Secretary of the Interior. PAUL H. APPLEBY, Acting Secretary of Agriculture. JESSE H. JONES, Secretary of Commerce. FRANCES PERKINS, Secretary of Labor.

Approved:

Franklin D Roosevelt

NOVEMBER 28, 1940.

[F. R. Doc. 40-5404; Filed, December 6, 1940; 11:33 a. m.]

<sup>15</sup> F.R. 3831.

# TITLE 47—TELECOMMUNICATION CHAPTER I—FEDERAL COMMUNICA-TIONS COMMISSION

[Order No. 77]

PART 12-RULES GOVERNING AMATEUR RADIO: STATIONS AND OPERATORS

PART 13-RULES GOVERNING COMMERCIAL RADIO OPERATORS

#### SUSPENSION OF CERTAIN REGULATIONS

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 4th day of December 1940,

The Commission having under consideration its Rules Governing Amateur Radio Stations and Operators and its Rules Governing Commercial Radio Operators, with particular reference to the provisions concerning renewals; and

It appearing that present conditions render it difficult for commercial radio operators and for amateur radio station licensees and operators to make a showing of service or use required for renewal of license; and that such difficulty wil be accentuated in many instances due to military service:

It is ordered, That §§ 12.26 and 12.66 of the Rules Governing Amateur Radio and § 13.28 of the Rules Governing Commercial Radio Operators, in so far as the required showing of service or use of license is concerned, be and they are hereby, suspended until further order of the Commission, but in no event beyond January 1, 1942.

This Order shall become effective immediately.

By the Commission.

[SEAL]

JOHN B. REYNOLDS, Acting Secretary.

[F. R. Doc. 40-5407; Filed, December 6, 1940; 11:57 a. m.]

# TITLE 49-TRANSPORTATION AND RAILROADS

#### CHAPTER I-INTERSTATE COM-MERCE COMMISSION

IN THE MATTER OF APPLICATIONS UNDER SECTION 303 (e) OF THE INTERSTATE COMMERCE ACT FOR THE EXEMPTION OF Transportation by Contract Carriers BY WATER FROM THE PROVISIONS OF PART

At a Session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 28th day of November, A. D. 1940.

The matter of applications under the above title being under consideration:

It is ordered, That applications by contract carriers by water for exemption of transportation of such carriers from the provisions of Part III of the Interstate Commerce Act, in order to carry out the policy of Congress declared in section 303 (e) of said Part III, shall be in the form and contain the information called | nal document.

for in the form of application attached price of each unit for each day's delay hereto and made a part hereof.2

By the Commission, division 4. [SEAL] W. P. BARTEL, Secretary.

[F. R. Doc. 40-5396; Filed, December 6, 1940; 10:04 a. m.]

#### **Notices**

#### WAR DEPARTMENT.

[Contract No. W 669 qm-8236 (O. I. No. 31)]

SUMMARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: AMERICAN WOOLEN COMPANY

Contract for: Blankets, Wool, Olive Drab, M-1934.

Amount, \$1,109,065.00.

Place: Philadelphia Quartermaster Depot, Philadelphia, Pa.

This Contract, entered into this 2nd day of July, 1940.

Scope of this contract. The contractor shall furnish and deliver at the Philadelphia Quartermaster Depot, 21st and Johnston Streets, Philadelphia, Pennsylvania, \* \* \* Blankets, Wool, Olive Drab, for the consideration stated totaling One million, one hundred nine thousand, sixty-five dollars (\$1,109,-065.00) in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof.

Payments. The contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either \$1,000 or 50 percent of the total amount of the contract.

Delays-Liquidated damages. If the contractor refuses or fails to make delivery of the materials or supplies within the time specified in Article 1, or any extension thereof, the actual damage to the Government for the delay will be impossible to determine, and in lieu thereof the contractor shall pay to the Government, as fixed, agreed, and liquidated damages for each calendar day of delay in making delivery, the amount as set forth in the specifications or accompanying papers, and the contractor and his sureties shall be liable for the amount thereof.

Liquidated damages. Under the terms and conditions stipulated in Article 17 of this contract, the contractor shall pay to the Government, as liquidated damages, for each unit undelivered, a sum equal to \* percentum of the

after the date or dates specified.

Bond: Furnished. Amount: \$221,813.00. This contract authorized under Procurement Directive No. 195-2.

> NEAL H. MCKAY. Major, Quartermaster Corps, Assistant to the Director of Purchases and Contracts.

[F. R. Doc. 40-5386; Filed, December 6, 1940; 9:47 a. m.]

[Contract No. W-761-ORD 1902]

SULLIARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: PRESSED STREET, CAR COMPANY, INC.

Contract for: \* \* \* Forging, Shell, 90 mm, H. E., A. A., M58.

Amount: \$1,230,000.00

Place: Pittsburgh Ordnance District, Pittsburgh, Pa.

The ammunition components to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to Procurement Authority ORD 6815-P11-0270 A 1005-01, the available balance of which is sufficient to cover the cost thereof.

This Contract, entered into this 30th day of October 1940.

Scope of this contract. The contractor shall furnish and deliver \* \* Forgings for Shell, 90 mm, H. E., A. A., M58, for the consideration of one million two hundred and thirty thousand dollars (\$1,230,000.00), in strict accordance with the specifications, schedules and drawings set forth in page (2a) hereof.

Changes. Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications, except Federal Specifications. Changes as to shipment and packing of all supplies may also be made as above provided.

Payments. The contractor shall be paid. upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Payments will be made on partial deliveries accepted by the Government when requested by the contractor, whenever such payments would equal or exceed either \$1,000 or 50 percent of the total amount of the contract.

Quantities. The Government reserves the right to increase the quantity on this contract by as much as \* percent, and at the unit price specified in Article 1, such option to be exercised within \* \* days from date of this contract. Under no circumstances will this order be considered complete at a quantity less than that contracted for.

Performance bond. The contractor shall be required to furnish a performance

Form B.W.C. 1 filed as a part of the origi-

bond in duplicate in the sum of ten per | required for its performance, an equi- | proved drawings and/or specifications centum of the total amount of this contract with surety or other security acceptable to the Government to cover the successful completion of this contract.

Liquidated damages. If the contractor refuses or fails to make delivery of the materials or supplies within the time specified in Article 1, or any extension thereof, the actual damage to the Government for the delay will be impossible to determine, and in lieu thereof, the contractor shall pay to the Government, as fixed, agreed, and liquidated damages \* \* \* percent of the contract price of the undelivered portion for each day of delay in making delivery beyond the dates set forth in the contract for deliveries with a maximum liquidated damage charge of \* percent, and the contractor and his sureties shall be liable for the amount thereof.

Termination when contractor not in default. This contract is subject to termination by the Government at any time as its interests may require.

Price adjustment. The contract price stated in Article 1, is subject to adjustment for changes in labor and material costs.

It is expressly agreed that quotas for labor will not be altered on account of delays in completion.

This contract is authorized by the Act of July 2, 1940 (Public No. 703, 76th Congress).

> NEAL H. MCKAY, Major, Quartermaster Corps, Assistant to the Director of Purchases and Contracts.

[F. R. Doc. 40-5387; Filed, December 6, 1940; 9:47 a. m.]

# NAVY DEPARTMENT.

[NOy-4505]

SUMMARY OF CONTRACT FOR CONSTRUCTION OF HOUSING FACILITIES

CONTRACTORS: BROWN-LANE COMPANY, 351 SOUTH FOURTH STREET, BEAUMONT, TEXAS, AND THE CENTRAL CONTRACTING COMPANY, 406 CONSTRUCTION BUILDING, DALLAS, TEXAS

NOVEMBER 23, 1940.

On November 20, 1940, the Navy Department entered into a contract (NOy-4505) with the Brown-Lane Company, Beaumont, Texas, and the Central Contracting Company, Dallas, Texas, for the construction of housing facilities at Orange, Texas at an estimated total cost of \$1,480,000, including a fixed fee of \$55,000 payable to the Contractors.

The contract, among other things, further provides that the Navy Department may at any time make changes in approved drawings and/or specifications and, if such changes or additions to or omissions from the original project cause a material increase or decrease in the amount or character of the work to be ther provides that the Navy Department

table adjustment in the amount of the fixed fee to be paid to the Contractors shall be made and the contract shall be modified accordingly. The contract also contains provisions for the termination of the contract by the Government and for an equitable settlement with the Contractors under the contract in the case of such termination.

B. MOREELL.

[F. R. Doc. 40-5389; Filed, December 6, 1940; 9: 47 a. m.]

#### [NOy-4506]

SUMMARY OF CONTRACT FOR CONSTRUCTION OF HOUSING FACILITIES

CONTRACTORS: THOMAS BATE & SONS, 1107 GIRARD STREET, HOUSTON, TEXAS

On November 20, 1940, the Navy Department entered into a contract (NOy-4506) with Thomas Bate & Sons. Houston, Texas, for the construction of housing facilities at Corpus Christi, Texas. at an estimated total cost of \$1,173,000, including a fixed fee of \$44,000 payable to the Contractors.

The contract; among other things, further provides that the Navy Department may at any time make changes in approved drawings and/or specifications and, if such changes or additions to or omissions from the original project cause a material increase or decrease in the amount or character of the work to be done under the contract, or in the time required for its performance, an equitable adjustment in the amount of the fixed fee to be paid to the Contractors shall be made and the contract shall be modified accordingly. The contract also contains provisions for the termination of the contract by the Government and for an equitable settlement with the Contractors under the contract in the case of such termination.

B. MOREELL.

[F. R. Doc. 40-5388; Filed, December 6, 1940; 9:47 a. m.]

# [NOy-4512]

SUMMARY OF CONTRACT FOR CONSTRUCTION OF HOUSING FACILITIES

CONTRACTORS: W. J. M'GEE & SON AND THE GREEN LUMBER COMPANY, C/O THE GREEN LUMBER COMPANY, LAUREL, MISSISSIPPI

On November 25, 1940, the Navy Department entered into a contract (NOy-4512) with W. J. McGee & Son and The Green Lumber Company both of Laurel. Mississippi, for the construction of Housing Facilities at Pascagoula, Mississippi, at an estimated total cost of \$2,000,000, including a fixed fee of \$72,000 payable to the Contractors.

The contract, among other things, furdone under the contract, or in the time may at any time make changes in ap-lequipment, and, upon complete reim-

and, if such changes or additions to or omissions from the original project cause a material increase or decrease in the amount or character of the work to be done under the contract, or in the time required for its performance, an equitable adjustment in the amount of the fixed fee to be paid to the Contractors shall be made and the contract shall be modified accordingly. The contract also contains provisions for the termination of the contract by the Government and for an equitable settlement with the Contractors under the contract in the case of such termination.

B. Moreell.

[F. R. Doc. 40-5390; filed, December 6, 1940; 9:48 a. m.]

Bureau of Aeronautics.

INOd-16071

SUMMARY OF CONTRACT FOR ACQUISITION AND CONSTRUCTION OF ADDITIONAL PLANT FACILITIES

CONTRACTOR: EDO AIRCRAFT CORPORATION, COLLEGE POINT, LONG ISLAND, NEW YORK

Defense Plant Corporation has entered into an agreement with Edo Aircraft Corporation for the acquisition and construction of additional plant facilities and equipment at the plant of that corporation at College Point, Long Island, New York. The maximum amount which Defense Plant Corporation is required to expend under such agreement is Three Hundred Sixty-Five Thousand Dollars (\$365,000.00).

Title to the plant and equipment is to be in Defense Plant and it is to be leased at a nominal rental to Edo for a term expiring April 30, 1951, or prior thereto if terminated because the facilities are no longer required or used for national defense. Upon termination of the Lease. Edo has an option to acquire the plant and equipment at cost or cost less depreciation, depending upon the time of exercise of the option. The agreement provides that during the period of the Lease, Edo will eliminate from any price charged the Government or any supplier for the Government any charge for the facilities covered by the agreement.

By letter dated November 30, 1940, the Navy Department has agreed to reimburse Defense Plant Corporation for its expenditures under the agreement, three-fifths (%) of such reimbursement to be made on or before June 1, 1942, and the balance on or before June 1, 1945, if Congress hereafter authorizes the same by making appropriations therefor. The proceeds of any exercise by Edo of its option are to be credited upon such reimbursement. Upon partial reimbursement of Defense Plant Corporation, the Navy Department is to acquire a proportionate interest in the plant and

bursement, title thereto, subject to Edo's option above described, if then existing.

J. H. TOWERS, Rear Admiral, U. S. N. Chief of the Bureau of Aeronautics.

[F. R. Doc. 40-5391; Filed, December 6, 1940; 9:48 a. m.]

# SECURITIES AND EXCHANGE COM-MISSION.

[ File Nos. 43-272, 46-192]

IN THE MATTER OF COLUMBIA GAS & ELEC-TRIC CORPORATION, UNITED FUEL GAS COMPANY, WARFIELD NATURAL GAS COM-PANY

#### ORDER FOR POSTPONEMENT

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 5th day of December, A. D. 1940.

The Commission having heretofore ordered that a hearing in regard to the above-captioned matter be held on December 16, 1940, at ten o'clock in the foremoon of that day, at the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

The applicant companies named hereinabove having informed the Commission that, by reason of newly-enacted legislation, the proposed transactions may be found, upon reconsideration by such applicants, to result in additional taxation which might make consummation thereof undesirable to them, and having requested that the hearing be postponed for approximately four months so as to consider such possible contingencies, and the applicants, in such request for postponement, having informed the Commission that the applicant companies will, at least sixty days before the date to which such hearing is postponed, advise the Commission as to whether or not it is then their intention to go forward with such transactions or whether they then desire to withdraw such applications; and

It appearing to the Commission that upon such request by the applicant companies said hearing should be postponed to the requested date;

It is therefore ordered, That the hearing in the above-captioned matter be, and the same hereby is, postponed until April 16, 1941, at ten o'clock in the forenoon of that day, at the offices of the Securities and Exchange Commission in Washington, D. C., before Willis E. Monty, Trial Examiner. On such day the hearing room clerk in room 1102 will advise as to the room where the hearing will be held. All interested parties or persons will govern themselves accordingly.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 40-5400; Filed, December 6, 1940; 11:31 a. m.]

# [File No. 60-16]

IN THE MATTER OF P. M. CHANDLER; CHANDLER & COMPANY, INC.; P. M. CHANDLER & COMPANY, INC.; P. M. CHANDLER & COMPANY, INC.; THADDEUS RICH, AS TRUSTEE FOR MARIE LOUISE CHANDLER, ARTHUR BAYARD CHANDLER, ELEANOR ANNIE CHANDLER, AND MRS. MARIE L. CHANDLER, BRANDYUNE FARLIS CORFORATION; CARROLL E. GRAY; MRS. MARIE L. CHANDLER; RALPH P. BUELL, AS SUCCESSOR TRUSTEE FOR MRS. MARIE L. CHANDLER, HARRY WILLIAMS, JR., AND RALPH P. BUELL, RESPONDENTS

ORDER POSTPONING HEARING AND DESIGNAT-ING NEW TRIAL ENAMMER

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of December, A. D. 1940.

The Commission having ordered on the 30th day of October, 1940, that a hearing be held at the office of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., at 10:00 a.m., on the 4th day of December, 1940, to determine whether the above named Respondents or any one or more of them directly or indirectly exercise (either alone or pursuant to an arrangement or understanding with each other or with one or more other persons) such a controlling influence over the management or policies of International Utilities Corporation as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that the above named Respondents or any one or more of them be subject to the obligations, duties, and liabilities imposed by said Act upon holding companies;

The hearing aforesaid having been postponed to the 11th day of December 1940, at 10:00 a.m.; and

The above named Respondents having requested that the hearing aforesaid be further postponed to the 18th day of December 1940, at 10:00 a.m., and the trial examiner designated to preside at said hearing being engaged on another matter and being unable so to preside:

It is ordered, That the request of the above named Respondents be and the same hereby is granted and that the hearing on the matter aforesaid be held at the office of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., at 10:00 a. m., on the 18th day of December, 1940.

It is further ordered, That James G. Ewell, in the place and stead of Richard Townsend, heretofore designated, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act

and to a trial examiner under the Commission's Rules of Practice.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-5399; Filed, December 6, 1940; 11:31 a.m.]

[File No. 812-27]

IN THE MATTER OF MUTUAL INVESTMENT FUND

MOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 4th day of December, A. D. 1940.

An application having been filed by the above named applicant under and pursuant to the provisions of Section 6 (c) of the Investment Company Act of 1940 for an exemption from the provisions of the said Act to the extent necessary to permit the continued issuance, offering and sale to the public of shares of said Mutual Investment Fund;

It is ordered, That a hearing on the aforesaid application he held on December 10, 1940 at ten o'clock in the foremon of that day at the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing room clerk in Room 1102 will advise interested parties where such hearing will be held;

It is further ordered, That Charles S. Moore, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing on such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under sections 41 and 42 of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

Notice is hereby given to the applicants and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-5401; Filed, December 6, 1940; 11:31 a. m.]

[File No. 812-52]

In the Matter of Diversified Fund Corporation

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of December, A. D. 1940.

The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Comission under section 18 (c) of said Act by the above named applicant for an or-

der granting a qualified exemption from the provisions of section 27 (a) (2) and (3) of said Act so as to permit the amounts of sales load deducted during the first and second year from payments made on periodic payment plan certificates to be sold by the above applicant to exceed the amounts which are permitted to be deducted during said years by the provisions of said section 27 (a) (2) and (3);

It is ordered, That a hearing on such matter under the applicable provisions of said Act and the rules of the Commission thereunder be held on December 19, 1940 at 10:00 o'clock in the forenoon of that day at Room 563. General Post Office. 315 West Pershing Road, Kansas City, Missouri. After the commencement of such hearing the same may be continued by the trial examiner, and such continued hearing may be held at the same or such other place as the trial examiner may designate.

It is further ordered, That Henry Fitts or any other officer or officers of the Commission designated by it for that purpose, preside at the hearing in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 42(b) of the Act and to a trial examiner under the Commission's Rules of Practice.

Notice of such hearing is hereby given to the above-named party and to any other person whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 40-5403; Filed, December 6, 1940; 11:32 a. m.]

[File No. 812-80]

IN THE MATTER OF MUTUAL INVESTMENT FUND, INC.

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 4th day of December, A. D. 1940.

An application having been filed by the above named applicant under and pursuant to the provisions of Section 6 (c) of the Investment Company Act of 1940 for an exemption from the provisions of Section 14 of said Act;

It is ordered, That a hearing on the matter of the application of the above named applicant for exemption from the provisions of Section 14 of the Investment Company Act of 1940 be held December 10, 1940, at ten o'clock in the forenoon of that day at the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing room clerk in Room 1102 will advise interested parties where such hearing will be held;

It is further ordered, That Charles S. | national securities association registered Moore, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing on such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under Sections 41 and 42 of the Investment Company Act of 1940 and to Trial Examiners under the Commission's Rules of Practice.

Notice is hereby given to the applicants and to any other persons whose participation in such proceeding may be in the public interest or for the protection of investors.

By the Commission.

[SEAL]

Francis P. Brassor, Secretary.

[F. R. Doc. 40-5402; Filed, December 6, 1940; 11:32 a. m.]

IN THE MATTER OF BARRETT & COMPANY, SATTERFIELD & LOHRKE, AND BOND & GOODWIN, INC.

ORDER FOR PROCEEDINGS AND NOTICE OF HEARING ON THE QUESTION OF SUSPEN-SION OR EXPULSION FROM MEMBERSHIP IN THE NATIONAL ASSOCIATION SECURITIES DEALERS, INC.

At a regular session of the Securities and Exchange Commission held at its offices in the City of Washington. D. C., on the 6th day of December, A. D. 1940.

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The Commission's public official files disclose that:

- (a) Barrett & Company, of Providence, Rhode Island, a partnership, is now and at all times herein mentioned has been registered as an over-the-counter broker and dealer under Section 15 of the Seourities Exchange Act of 1934 and is now a member of National Association of Securities Dealers, Inc., a national securities association registered under Section 15A of said Act; and
- (b) W. Stanley Barrett, of Providence, Rhode Island, is now and at all times hereinafter mentioned has been a partner of said Barrett & Company; and
- (c) Bond & Goodwin, Incorporated, of Boston, Massachusetts, a corporation, is now and at all times herein mentioned has been registered as an over-the-counter broker and dealer under Section 15 of the Securities Exchange Act of 1934 and is now a member of National Association of Securities Dealers, Inc., a national securities association registered under Section 15A of said Act; and
- (d) Satterfield & Lohrke, of New York, New York, a partnership, is now and since July 19, 1939, has been registered as an over-the-counter broker and dealer under Section 15 of the Securities Exchange Act of 1934 and is now a member of National

under Section 15A of said Act; and

(e) At all times mentioned herein American Wringer Company, Inc., a corporation, had only one class of authorized capital stock, to wit, 135,000 shares of \$10 par value common stock, of which over 100,000 shares had been issued and were outstanding. Said stock is not now and at no time herein mentioned has been registered on or admitted to unlisted trading privileges on any national securities exchange; and

(f) On January 8, 1940, American Wringer Company, Inc., filed with this Commission a registration statement, under the Securities Act of 1933, covering 32.915 shares of its stock to be offered to the public at \$12.50 per share by Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., as underwriters; of this amount about 23,715 shares represented stock authorized but presently unissued, 4,200 shares were outstanding and owned by Henry Salomon, a director of said corporation, and 5,000 shares were outstanding and owned by said Barrett & Company; and

(g) Said registration statement never became effective and on February 12, 1940, said American Wringer Company, Inc., requested permission to withdraw said statement, to which the Commission, by order, consented on February 14, 1940.

Members of its staff have reported to the Commission that, as a result of an investigation of the activities of Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., in the over-thecounter market for the common stock of the American Wringer Company, Inc., evidence has been obtained tending to show that:

- (a) In August 1939, W. Stanley Barrett, senior partner of Barrett & Company, and one William W. Nolan, who describes himself as an industrial and financial counsel, formulated a plan for the distribution of American Wringer stock at prices higher than the then market price of \$5 per share; and
- (b) From early in August 1939, until about the middle of December 1939, Barrett & Company purposely influenced the over-the-counter market and effected a series of transactions in said stock, raising the price thereof, for the purpose of inducing the purchase of said stock by others; and
- (c) Early in November 1939, Barrett secured an option from American Wringer Company, Inc., on certain shares of its unissued stock at \$10 per share and said company agreed to register said shares under the Securities Act of 1933 for distribution to the public by Barrett & Company, as underwriter, at an initial offering price of \$12.50 per share; and
- (d) Later in November 1939, Nolan induced Satterfield & Lohrke to join in said proposed distribution and to par-Association of Securities Dealers, Inc., a ticipate in activities for the purpose of

influencing the over-the-counter market for said stock and raising the price thereof to induce the purchase of said stock by others; and

- (e) During the latter half of December 1939, Barrett & Company and Satterfield & Lohrke purposely influenced the overthe-counter market and effected a series of transactions in said stock, raising the price thereof, for the purpose of inducing the purchase of said stock by others; and
- (f) On or about January 2, 1940, Bond & Goodwin, Inc., agreed to join in said proposed distribution of and to participate in activities for the purpose of influencing the over-the-counter market for said stock and raising the price thereof to induce the purchase of said stock by others; and
- (g) From on or about January 2, 1940. until on or about January 26, 1940, Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., purposely influenced the over-the-counter market and effected a series of transactions in said stock, raising the price thereof, for the purpose of inducing the purchase of said stock by others; and
- (h) On January 8, 1940, American Wringer Company, Inc., filed a registration statement under the Securities Act of 1933 covering certain shares of its stock to be distributed to the public by Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., as underwriters, at an initial offering price of \$12.50 per share. Said registration statement and the proposed prospectus submitted therewith stated that the stock had been generally traded by the public at prices varying from \$4 per share in May, 1939, to \$10.50 on January 3, 1940, but omitted to state that said proposed underwriters had purposely influenced the over-the-counter market for said stock and raised the price thereof. Said registration statement did not become effective but was withdrawn after Barrett had been advised that it would be necessary to amend the statement and the proposed prospectus to disclose clearly the trading activities of said proposed underwriters; and
- (i) While engaged in the acts and practices hereinbefore described, Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., induced others to purchase shares of American Wringer stock from them and effected said transactions by means of statements regarding the over-the-counter market prices for said stock but omitted to state that the prices at which said transactions were effected were based upon prices quoted in an overthe-counter market which they had purposely influenced, which fact was material and necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading and Barrett & Company. Satterfield & Lohrke, and Bond & Goodwin, Inc., knew or had reasonable grounds material fact was misleading; and

- fore described operated as a fraud and stock during the periods hereinbefore mentioned and would have operated as a fraud and deceit upon persons who might have purchased said stock during the proposed distribution; and
- (k) Made use of the mails and of means and instrumentalities of interstate commerce to influence purposely the overthe-counter market for said stock and to effect transactions in said stock, raising the price thereof, for the purpose of inducing the purchase of said stock by others; and
- (1) Barrett & Company, Satterfield & Lohrke, and Bond & Goodwin, Inc., as more particularly set forth above, violated section 15 (c) (1) of the Securities Exchange Act of 1934 in that they made use of the mails and of means and instrumentalities of interstate commerce to effect transactions in and to induce the purchase of said stock otherwise than on a national securities exchange by means of manipulative, deceptive and other fraudulent devices and contrivances, as defined by Rules X-15C1-2 (a) and (b) of the Rules and Regulations promulgated by the Commission under said Act.

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The Commission, having considered the aforesaid report of members of its staff. deems it necessary and appropriate in the public interest and for the protection of investors that proceedings be instituted to determine:

- (a) Whether the statements set forth in Paragraph II hereof are true; and
- (b) Whether Barrett & Company, Bond & Goodwin, Inc. and Satterfield & Lohrke or any of them have or has violated section 15 (c) (1) of the Securities Exchange Act of 1934; and
- (c) Whether pursuant to Section 15A (1) (2) of the Securities Exchange Act of 1934 it is necessary or appropriate in the public interest or for the protection of investors or to carry out the purposes of Section 15A of the Securities Exchange Act of 1934 to suspend for a period not exceeding 12 months or to expel from the National Association of Securities Dealers, Inc., a registered securities association, the said Barrett & Company, Bond & Goodwin, Inc. and Satterfield & Lohrke or any of them.

It is hereby ordered, That a hearing for the purpose of taking evidence on the questions set forth in Paragraph III hereof be held at 10 o'clock A. M. on December 16, 1940, at the Boston Regional Office of the Securities and Exchange Commission, 82 Devonshire Boston, Massachusetts, and Street, thereafter at such times and places in Boston, Massachusetts or elsewhere as

(j) The acts and practices hereinbe- Adrian C. Humphreys is hereby designated as the officer of the Commission to deceit upon persons who purchased said conduct said hearing and pursuant to section 21 (b) of the Securities Exchange Act of 1934 is hereby authorized to administer oaths, affirmations, subpoena witnesses and compel their attendance, take evidence, require the production of books, papers, correspondence, memoranda and any and all other records deemed relevant or material to the matters in issue at said hearing and to perform all other duties in connection therewith as authorized by law.

It is further ordered, That this order and notice be served on Barrett & Company, Bond & Goodwin, Inc., and Satterfield & Lohrke personally or by registered mail not less than seven (7) days prior to the time of the hearing, and that this order and notice be published in the Fen-ERAL REGISTER in the manner prescribed by the Federal Register Act.

Upon the completion of the taking of evidence in this matter, the officer conducting said hearing is directed to conclude said hearing, make his report to the Commission and transmit same with a record of this hearing to the Commission.

By the Commission.

ORVAL L. DUBOIS, [SEAL] Recording Secretary.

[F. R. Doc. 40-5405; Filed, December 6, 1940; 11:48 a. m.]

#### [File Ncs. 59-17, 54-25]

IN THE MATTER OF THE UNITED LIGHT AND POWER COMPANY, THE UNITED LIGHT AND RAILWAYS COMPANY, AMERICAN LIGHT & TRACTION COMPANY, CONTINENTAL GAS & ELECTRIC CORPORATION, UNITED AMER-ICAN COMPANY, AND IOWA-NEERASKA LIGHT AND POWER COMPANY, RESPOND-ENTS: THE UNITED LIGHT AND POWER COMPANY, APPLICANT

NOTICE OF AND ORDER INSTITUTING PRO-CEEDINGS AND SETTING DATE FOR HEARING; CONSOLIDATION OF PROCEEDINGS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 6th day of December, A. D. 1940.

The Commission having examined the corporate structure of The United Light and Power Company, a registered holding company, and of the holding company system thereof, including the corporate structure of The United Light and Railways Company, American Light & Traction Company, Continental Gas & Electric Corporation, United American Company, and Iowa-Nebraska Light and Power Company, all of such companies being registered holding companies and subsidiaries of The United Light and Power Company, and having examined the relationships among the companies in the holding company system of said The United Light and Power Company, to believe that the omission to state said the officers hereinaster designated to the character of the interests thereof conduct said hearing may determine, and and the properties owned or controlled thereby, and the Commission having considered the report of its Public Utilities Division, dated November 27, 1940, and filed herewith, and the Commission having reasonable grounds to believe that:

| iary company thereof, shall take such steps as the Commission shall find necessary to ensure that the corporate structure or continued existence of any company in a holding-company system does

- 1. The United Light and Power Company is a registered holding company organized under the laws of Maryland, with its principal offices for the doing of business located in the City of Chicago, Illinois;
- 2. The United Light and Railways Company, Continental Gas & Electric Corporation, and United American Company are registered holding companies, each incorporated under the laws of Delaware and each maintaining its principal office in Chicago, Illinois, and are all subsidiaries of The United Light and Power Company;
- 3. American Light & Traction Company is a registered holding company organized under the laws of New Jersey, maintains its principal office in Chicago, Illinois, and is a subsidiary of The United Light and Railways Company and of The United Light and Power Company:
- 4. Iowa-Nebraska Light and Power Company is a registered holding company organized under the laws of Delaware and maintains its principal office in Omaha, Nebraska, and is a subsidiary of The United Light and Power Company, The United Light and Railways Company, and Continental Gas & Electric Corporation;
- 5. The corporate structure of the holding company system of The United Light and Power Company is unduly and unnecessarily complicated;
- 6. More specifically, the corporate structure or the continued existence, or both, of one or more of the subsidiary registered holding companies of The United Light and Power Company heretofore named, unduly and unnecessarily complicate the corporate structure of the holding company system of The United Light and Power Company;
- 7. Voting power is unfairly and inequitably distributed among security holders of the holding company system of The United Light and Power Company;
- 8. More specifically, the corporate structure of The United Light and Power Company and of various of its subsidiary registered holding companies hereinbefore named, and the continued existence of one or more of such companies, results in the unfair and inequitable distribution of voting power among security holders of said holding company system;
- 9. Certain holding companies in said holding company system of The United Light and Power Company have subsidiary companies which themselves have subsidiary companies which are holding companies; and
- It being the duty of the Commission pursuant to Section 11 (b) (2) of said Act to require by order, after notice and opportunity for hearing, that each regiscompany system of The tered holding company, and each subsid-

steps as the Commission shall find necessary to ensure that the corporate structure or continued existence of any company in a holding-company system does not unduly or unnecessarily complicate the structure, or unfairly or inequitably distribute voting power among security holders, of such holding-company system, and to require each registered holding company (and any company in the same holding-company system with such company) to take such action as the Commission shall find necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company; and

It therefore appearing that proceedings should be instituted under Section 11 (b) (2) of said Act with respect to said holding company system of The United Light and Power Company, for the purposes hereinafter ordered; and

The United Light and Power Company having filed, pursuant to Section 11 (e) of the Public Utility Holding Company Act of 1935, an application for approval of a Plan of Recapitalization and Simplification, dated July 16, 1940, and amended October 19, 1940, which Plan of Recapitalization and Simplification proposes a reclassification of the capital stock of The United Light and Power Company into one class of new common stock, which common stock is proposed to be exchanged for the presently outstanding shares of stock of said company, consisting of Preferred, Class A Common, and Class B Common, which recapitalization plan; as amended, provides for an authorized capital of 7,000,000 shares of new common stock, of which it is proposed to issue 3,947,676 shares, with a par value of \$10 per share, of which six shares are proposed to be issued in exchange for each share of presently outstanding preferred stock, and one-tenth of a new share for each share of presently outstanding Class A Common stock and Class B Common stock, and which recapitalization plan also contemplates the making of certain accounting entries with respect to the reserve for depreciation of investments and with respect to the surplus of said The United Light and Power Company; and

The Commission being required, under the provisions of section 11 (e) of said Act, to find, before approving any plan thereunder, that such plan, as submitted or as modified, is necessary to effectuate the provisions of subsection (b) of section 11, as well as being fair and equitable to the persons affected by such plan, and it appearing to the Commission that the issues of fact and of law arising in connection with said proposed recapitalization plan are common to those arising in connection with the proceedings herein instituted under section 11 (b) (2) of said Act with respect to said holding company system of The United Light and

It therefore appearing appropriate to the Commission that notice be given and a hearing be ordered to be held for the purpose of giving an opportunity to be heard with respect to what action should be ordered to be taken under section 11 (b) (2), as more particularly hereinafter ordered, and with respect to said proposed plan of recapitalization and simplification filed under section 11 (e), and that said proceedings should be consolidated and heard together, subject to the provisions hereinafter contained in this order;

It is hereby ordered, That a hearing shall be held at the office of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., in such room as may be designated on such date by the Hearing Room Clerk in Room 1102, at 10:00 A. M. on the 14th day of January 1941, at which hearing said The United Light and Power Company, The United Light and Railways Company, American Light & Traction Company, Continental Gas & Electric Corporation, United American Company. and Iowa-Nebraska Light and Power Company, all of which companies are hereby made respondents herein, shall be given an opportunity to be heard with respect to the statements of fact contained in the aforesaid report of the Public Utilities Division hereinbefore referred to, and with respect to the allegations contained in paragraphs 1 to 9, inclusive, of this order, and at which hearing all of said respondents shall be given an opportunity to be heard for the purpose of showing cause why an order should not be entered pursuant to section 11 (b) (2) of said Act requiring the simplification of the corporate structure of the holding company system of The United Light and Power Company and the simplification of the corporate structure and discontinuance of the existence of one or more companies in said holding company system, for the purpose of determining what steps and what action is necessary for that purpose, and to consider whether the aforesaid plan of recapitalization and simplification is necessary to effectuate the provisions of subsection (b) of section 11 and is fair and equitable to the persons affected thereby, and whether the Commission should enter an order approving such plan.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all the powers granted to the Commission under Section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice; and

It is further ordered, That the Secretary of the Commission shall serve notice of the hearing aforesaid by mailing

of said report of the Public Utilities Division dated November 27, 1940, by registered mail to The United Light and Power Company and to each of the other respondents hereinbefore named, not less than thirty days prior to the date hereinbefore fixed as the date of the hearing; and that notice of said hearing is hereby given to all subsidiaries of The United Light and Power Company, to all security holders of The United Light and Power Company and of its subsidiaries, to all consumers of said companies, to all States, municipalities and political subdivisions of States within which are located any of the utility assets of The United Light and Power Company holding-company system or under the laws

a copy of this order, together with a copy corporated, to all State commissions, ings shall file with the Secretary of the State securities commissions and all agencies, authorities or instrumentalities of one or more states, municipalities, or other political subdivisions having jurisdiction over The United Light and Power Company or any subsidiaries thereof or over any of the businesses, affairs, or operations of any of them, and to all other persons, such notice to be given by a general release of the Commission, distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935 and by publication of this order in the Federal Register not later than thirty days prior to the date hereinbefore fixed as the date of hearing; and

It is further ordered, That any person of which any of such companies are in- proposing to intervene in these proceed-

Commission on or before the 30th day of December 1940, his application therefor as provided by Rule XVII of the Rules of Practice.

It is further ordered, That jurisdiction be and is hereby reserved to separate, either for hearing, in whole or in part, or for disposition, in whole or in part, the proceedings instituted by this order under section 11 (b) (2) and the application for approval of said recapitalization plan filed by said company under section 11 (e).

By the Commission.

[SEAL] FRANCIS P. BRASSOR, Secretary.

[P. R. Doc. 49-5406; Filed, December 6, 1940; 11:48 a. m.]